

(b) For a competitive lease that we offer through ascending bidding, you must submit a deposit as established in the Final Sale Notice.

(c) You must pay any balances on accepted high bids in accordance with the Final Sale Notice, this part, and your lease or grant instrument.

(d) The deposit will be forfeited for any successful bidder who fails to execute the lease within the prescribed time, or otherwise does not comply with the regulations concerning acquisition of a lease or grant or stipulations in the Final Sale Notice.

§ 285.502 What initial payment requirements must I meet to obtain a noncompetitive lease, ROW grant, or RUE grant?

When requesting a noncompetitive lease, you must meet the initial payment (acquisition fee) requirements of this section, unless specified otherwise in your lease instrument. No initial payment is required when requesting noncompetitive ROW grants and RUE grants.

(a) If you request a noncompetitive lease, you must submit an acquisition fee of \$0.25 per acre, unless otherwise set by the Director, as provided in § 285.500.

(b) If MMS determines there is no competitive interest, we will then:

(1) Retain your acquisition fee if we issue you a lease; or

(2) Refund your acquisition fee, without interest, if we do not issue your requested lease.

(c) If we determine that there is a competitive interest in an area you requested, then we will proceed with a competitive lease sale process provided for in subpart B of this part, and we will:

(1) Apply your acquisition fee to the required deposit for your bid amount if you submit a bid;

(2) Apply your acquisition fee to your bonus bid if you acquire the lease; or

(3) Retain your acquisition fee if you do not bid for or acquire the lease.

§ 285.503 What are the rent and operating fee requirements for a commercial lease?

(a) The rent for a commercial lease is \$3 per acre per year, unless otherwise

established in the Final Sale Notice or lease.

(1) You must pay the first 6-months rent, as provided in § 285.500, 45 days after we issue your lease.

(2) You must pay rent at the beginning of each subsequent 1-year period in accordance with the regulations at § 218.51 of this chapter for the entire lease area until the facility begins to generate commercially, as specified in § 285.506 or as otherwise specified in the Final Sale Notice or lease instrument:

(i) For leases issued competitively, the MMS will specify in the Final Sale Notice and lease any adjustment to the rent fee to take effect during the operations term and prior to the commercial generation.

(ii) For leases issued noncompetitively, the MMS will specify in the lease any adjustment to the rent fee to take effect during the operations term and prior to the commercial generation.

(3) You must pay the rent for a project easement in addition to the lease rent, as provided in § 285.507. You must commence rent payments for your project easement upon our approval of your COP or GAP.

(b) After your lease begins commercial generation of electricity or on the date specified by MMS, you must pay operating fees in the amount specified in § 285.506:

(1) For leases issued competitively, MMS will specify in the Final Sale Notice and lease the date when operating fees commence; and

(2) For leases issued noncompetitively, MMS will specify in the lease the date when operating fee commences.

§ 285.504 How are my payments affected if I develop my lease in phases?

If you develop your commercial lease in phases, as approved by us in your COP under § 285.629, you must pay:

(a) Rent on the portion of the lease that is not authorized for commercial operations.

(b) Operating fees on the portion of the lease that is authorized for commercial operations, in the amount specified in § 285.506 and as described in § 285.503(b).